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ABSTRACT

In an effort to discover the impact of early retirement plans on school districts and early retirees, researchers sent questionnaires to 147 superintendents in districts that offer early retirement plans and to 51 early retirees from those districts. Responses were received from 98 administrators and 46 retirees. Fiscal needs were seen by administrators as the motivating factor in establishing an early retirement plan and the desire to stop working was perceived to be the primary motivation for employees' choosing early retirement. Over 46 percent of the retirees indicated that teacher burnout caused them to retire early. Administrators indicated that early retirement plans had little financial impact on the districts. The major benefit retirees realized from early retirement was an improvement in their recreational and leisure activities. Most districts rated their retirement programs as excellent or good and more than 95 percent believed the retirees were satisfied with their decisions to retire. Retiree responses were congruent with administrator perceptions. (WD)

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A STUDY OF EARLY EDUCATOR RETIREMENT IN ILLINOIS PUBLIC SCHOOLS

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In the United States that portion of a worker's life span devoted to gainful employment followed a pattern of decline during the first three quarters of this century. Child labor laws, compulsory school attendance laws and the need for extended training of youth were among the factors delaying the average age of entry into the full-time labor force. Advances in science and technology, reduction in the hours in the work day and work week, increases in the number of paid holidays and length of paid vacations freed workers for increased leisure time during their productive years. Compulsory retirement laws, favorable economic conditions, improved retirement programs and innovative retirement benefits encouraged workers to retire while still healthy and productive and thereby reduced the number of working years for many Americans.

During the 1970's changes in the nation's demographic profile (a movement toward an older population), the enactment of legislation eliminating or delaying compulsary retirement ages in many occupations and unfavorable developments in the nation's economy including the persistence of an excessive inflation rate were among factors that caused many workers and employers to reassess their retirement plans.

As professional and management level employees became increasingly reluctant to retire at what had only recently become an expected retirement age, employers developed and offered plans to encourage

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and facilitate the early retirement of eligible persons in these categories. In the field of public education several factors now make the early retirement of teachers seem desirable from both the point of view of the teacher and the teacher's employers, the school district.

Many experienced public school educators report that their work has become less satisfying and more frustrating and stressful as a result of increasing difficulty in controlling the learning situation, a widening of the generation gap, declining student motivation and achievement and a lessening of support and status accorded teachers in today's society. (Hendrickson: 1979) (NEA, 1980). From the point of view of the school districts, the declining birth rate in the United States during the past twenty years has produced a declining school age population with a corresponding reduction in the need for teachers. This situation makes it difficult for many young and able people to enter the teaching professional while an aging corps of educators remain in the schools. Rising operating costs, also while pressured by inflation and energy costs, are attributable in large part to policies that require higher salaries be paid to the more experienced teachers. This situation, coupled with renewed taxpayer resistance, has brought many public school districts to a state of near cirsis.

One approach to the financial difficulties of school districts with a large proportion of their teachers at the upper level of the salary schedule has been to provide early retirement incentives to the older teachers. It is contended that older teachers could be replaced with younger, less experienced and less expensive

teachers and thus affect a considerable saving to the district in its operating costs. Additionally, it is held that these younger teachers will bring new ideas and vigor into the schools and thereby cortribute to program improvement. However, many older public school educators have not fully completed the length of service provisions or reached the age required by their retirement plan which would allow them to retire without incurring a deduction in their retirement benefits because of these deficiencies. Most of these educators are protected by teacher tenure provisions in their contracts and cannot be summarily dismissed; however, it is this group that provides the potential "early retiree."

In Illinois a public school employee with thirty-five years of creditable service in the Public School Teachers Pension and Retirement Fund can retire regardless of age without penalty. A person who is aged fifty-five with at least twenty but less than thirty-five years of creditable service can retire; however, he or she will have a reduction in their retirement allowance of ½ of 1% for each month that he or she is under age sixty. Recently, by act of the State Legislature and by local school board policies, it has become possible for an eligible educator to "retire early" without a reduction in allowance. Under this early retirement provision the educator must make a one-time contribution to the Fund as determined by his or her age and salary for the last year of employement (i.e. age 55 the employee contribution is 35% of salary matched by the employer contribution of 100%; percentages decrease with age of retiree).

The reasons cited (Illinois State Board of Education: 1977) for encouraging and facilitating early educator retirement in Illinois public schools are to:

1. maintain and improve the quality of education while reducing educational expenditures,
2. improve the balance between the supply and demand for teachers,
3. provide financial relief to the Illinois school districts and their taxpayers,
4. prevent the evaluation of an aged educational staff, and
5. attract teachers to early retirement.

Problem. What impact do administrators in school districts which offer early retirement plans and educators who took early retirement report early retirement to have had on their school districts and on early retirees?

Procedures. The study followed the descriptive method. A list of those school districts in Illinois with an early retirement plan was obtained from the Illinois State Board of Education. Two forms of a questionnaire were developed; one was sent to the superintendent of each of the 147 identified districts and one sent to each of the 51 early retirees whose name was provided by the school district. The questionnaires were distributed during the spring of 1981. Responses were analyzed in terms of frequencies and percentages and presented as administrator and early retiree responses. These responses reported the results of early retirement plans implemented since 1978.

Findings. A total of 98 or 66.7% of the 147 questionnaires sent to administrators were completed and returned while 46 or 90.2% of those sent to the 51 retirees were completed and returned. Forty-one or 89.1% of the retirees confirmed that they had taken early retirement under their districts' special early retirement plan. Of the 98 administrators who returned questionnaires, 87 or 88.8% confirmed they had had early retirees under their district's special early retirement plan. Nearly four-fifths of the responding administrators were superintendents. Two-thirds of the administrators were from suburban school districts and approximately half of the administrator responses came from elementary school districts. The responding early retirees had held positions at all levels of the public school with most having been at the elementary school and employed by elementary school districts. Nearly one-fifth of these early retirees had been school administrators while 58.7% of the early retirees came from school districts that served suburban communities. Slightly more than half (52.8%) of the early retirees were female, 72.4% were married and 75.8% were teachers.

Motivational Factors Associated With Implementing and Taking Early Retirement

"Fiscal needs" were seen as the motivating factor for implementing a special early retirement plan as reported by almost 60% of the district respondents in Table I followed by "age of staff" (27.6%). Board pressure was the least identified factor (4.6%) and instructional needs (9.17%) was the next to least motivational factor reported by district respondents. Over sixty percent of the district

respondents thought that the desire to stop working was the motivating factor for early retirement by educators from their districts and health (14.9%) and financial considerations (14.9%) the least. "Teacher burn out" (19.5%) was the next to least identified factor by district respondents.

Among the retiree respondents fiscal needs (65.8%) was the most frequently identified reason given for the development of an early retirement plan in their districts. The least identified factor was program needs (0%) followed by instructional needs (2.4%). Over 46% of the retirees also reported that "teacher burn out" was what motivated them to seek early retirement followed by a desire to stop working (29.3%). The least indicated reason for seeking early retirement was financial considerations (4.8%) followed by health considerations (9.8%).

A perusal of both sets of responses presented in Table I shows agreement between district and retiree respondents on fiscal needs as the primary motivating factor for implementing an early retirement plan. Beyond that, however, there is little agreement except that program and instructional needs were not regarded as very significant factors. In terms of what motivated educators to retire early, if "desire to stop working" and "teacher burn out" are combined there was considerable agreement among district and retiree respondents. The response patterns were reversed, however, on these two factors with district respondents indicating a desire to stop working as the motivating factors, and retiree respondents indicating "teacher burn out". Health and financial considerations

TABLE I

MOTIVATIONAL FACTORS REPORTED BY SCHOOL DISTRICT ADMINISTRATORS AND EARLY EDUCATOR RETIREES TO BE ASSOCIATED WITH EARLY EDUCATOR RETIREMENT*

N = 87 Administrators			N = 41 Early Retirees		
Questions	Responses		Questions	Responses	
	N	%		N	%
In general, what motivated your district to implement a special early retirement plan?			In your opinion, what motivated your district to implement a special early retirement plan?		
fiscal needs	53	59.7	fiscal needs	27	65.8
program needs	12	13.8	program needs	0	0.0
instructional needs	8	9.1	instructional needs	1	2.4
teacher pressures	12	13.8	teacher pressures	9	22.0
board pressure	4	4.6	board pressures	2	4.8
age of staff	24	27.6	age of staff	4	9.8
other	25	28.7	other	8	19.5
In your opinion, what motivated those educators in your district who retired early to do so?			What motivated you to seek early retirement?		
their health	13	14.9	health considerations	4	9.8
desire to change careers	16	18.4	desire to change careers	6	14.6
desire to stop working	53	60.9	desire to stop working	12	29.3
financial considerations	13	14.9	financial considerations	2	4.8
"teacher burn-out"	17	19.5	"teacher burn-out"	19	46.3
desire to live elsewhere	19	21.8	desire to live elsewhere	9	22.0
not sure	4	4.6	not sure	0	0.0
other	6	6.9	other	8	19.5

*Not all respondents responded to all items.

were not considered to be important as factors motivating early retirement by many of the respondents, particularly retiree respondents.

The Impact of Early Educator Retirement

In terms of finances, district respondents as shown on Table II indicated that the early retirement plans of their districts had had either little or no impact (44.8%) or a beneficial impact (40.2%). The same general pattern held for impact on district personnel with 43.7% of the district respondents indicating little or no impact and 50.9% indicating a beneficial impact. The pattern shifts somewhat to little or no impact with regard to instructional programs and course offerings (68.9%) and instruction (66.7%) according to district respondents. Negative impact as indicated by district respondents in any of the aforementioned areas was minimal.

Retiree responses appearing in Table II indicated that early retirement had had little or no impact (28.8%) on their lifestyle or had been beneficial (63.4%) to it. There was no negative impact reported by the retiree on either their lifestyle or health. Retirees overwhelmingly reported little or no impact (63.4%) on their financial status as a result of early retirement. Less than 10% reported a negative effect on their finances. Over 46% reported little or no change in their social life and 39% saw it as benefiting from retirement. In fact, their recreation and leisure activities were seen as benefiting from early retirement by 78% of the retirees.

The career changes of retirees as reported in Table II show that about 34% continued in education in another setting and 22%

TABLE II

DISTRICT ADMINISTRATORS' AND EARLY EDUCATOR RETIREES' RESPONSES TO QUESTIONS REGARDING THE IMPACT OF EARLY EDUCATOR RETIREMENT*

Questions	N = 87 Administrators Responses N	%	Questions	N = 41 Early Retirees Responses N	%
What has been the impact of your school district's special early retirement plan on the district's:			What has been the impact of early retirement on your:		
finances?			lifestyle?		
little or none	39	44.8	little or none	11	26.8
beneficial	35	40.2	beneficial	26	63.4
negative	1	1.1	negative	0	0.0
not sure	3	3.4	not sure	2	4.9
other	3	3.4			
personnel?			health?		
little or none	38	43.7	little or none	17	41.5
beneficial	44	50.9	beneficial	20	48.8
negative	1	1.1	negative	0	0.0
not sure	5	5.7	not sure	1	4.9
other	3	3.4			
programs and course offerings?			financial status?		
little or none	60	68.9	little or none	26	63.4
beneficial	21	24.1	beneficial	4	9.8
negative	3	3.4	negative	4	9.8
not sure	5	5.7	not sure	3	7.3
other	3	3.4			
			social life?		
			little or none	19	46.3
			beneficial	16	39.0
			negative	3	7.3
			not sure	1	2.4

*Not all respondents responded to all items.

TABLE II (continued)

N = 87 Administrators

Questions	Responses	
	N	%
What has been the impact of your school district's special early retirement plan on the district's:		
instruction?		
little or none	58	66.7
beneficial	23	26.4
negative	1	1.1
not sure	3	3.4
other	2	2.3

N = 41 Early Retirees

Questions	Responses	
	N	%
What has been the impact of early retirement on your:		
recreation and leisure activities?		
little or none	5	12.2
beneficial	32	78.0
negative	1	2.4
not sure	1	2.4

TABLE III

CAREER CHANGES OF EARLY RETIREES AS REPORTED BY RETIREES RESPONDENTS'

N = 41*

Question	Response	
	N	%
Have you continued in your profession in another setting since retiring?		
Yes	14	34.1
No	26	63.4
Have you changed careers since taking early retirement?		
Yes	9	22.0
No	22	53.7

*Not all respondents responded to all items.

have changed careers since taking early retirement.

Data presented in Table IV indicate that the activities of retirees have increased dramatically since their retirement. This increase is particularly so in the areas of travel with 68.3% indicating more time spent in this activity and reading and loafing with 63.4% indicating more time spent on these activities respectively. As one might expect, less time was spent on formal education by 39% of the retiree respondents.

The Evaluation of Early Retirement Plans by District and Retiree Respondents

The results of district respondents' ratings of their special early retirement plans appear in Table V as excellent (48.9%) or good (40.4%) and a majority (61.7%) believed that their plans achieved the general intent for implementing it. Better than 95% believed that the retirees were satisfied with their decision to retire early.

Data in Table V also show that the retirees rated their district's early retirement plans as either excellent (41.6%) or good (47.2%) and that they considered their early retirement experience to have been either very satisfying (43.5%) or satisfying (32.6%). In fact, if given the opportunity to do so again, better than 89% would take early retirement again. Therefore, it would appear that there is congruence between district and retiree respondents with regard to their evaluations of their districts' special early retirement plans.

TABLE IV

ACTIVITIES OF RETIREES AS REPORTED BY RETIREE RESPONDENTS

N = 41*

Activity	Time Spent					
	More		Less		Same	
	N	%	N	%	N	%
Travel	28	68.3	2	4.8	7	17.1
Reading	26	63.4	3	7.3	8	19.5
Visiting	17	41.5	2	4.8	14	34.1
Loafing	26	63.4	1	2.4	6	14.6
Working	12	29.3	5	12.2	3	7.3
Concerts, Plays	8	19.5	2	4.8	19	46.3
Formal Education	3	7.3	16	39.0	7	17.1
Other	9	22.0	0	0.0	0	0.0

*Respondents may have checked more than one item.

TABLE V

DISTRICT ADMINISTRATORS' AND EARLY EDUCATOR RETIREES' EVALUATION OF THEIR DISTRICTS SPECIAL EARLY RETIREMENT PLAN*

Questions	Responses N	%	Questions	Responses N	%
How do you rate your district's special early retirement plan?	(based on N of 94)		How do you rate your district's special early retirement plan?	(based on N of 36)	
Excellent	46	48.9	Excellent	15	41.6
Good	38	40.4	Good	17	47.2
Fair	10	10.6	Fair	3	8.3
Poor	0	0.0	Poor	1	2.7
Has your district's special early retirement plan achieved the general intent for implementing it?	(based on N of 81)		On the whole, do you consider your early retirement experience to have been:	(based on N of 46)	
Yes	50	61.7	Very satisfactory	20	43.5
No	11	13.6	Satisfactory	15	32.6
Not sure	20	24.7	Less than satisfactory	1	2.2
			Of benefit to the district	10	21.7
How would you describe the early retirees from your school district?	(based on N of 66)		If given the opportunity to do so again, would you take early retirement?	(based on N of 39)	
Disappointed	3	4.5	Yes	35	89.7
Satisfied	63	95.5	No	1	2.6
			Not sure	3	7.7

*All respondents did not answer questions.

Conclusions

Early retirement plans for Illinois public educators can generally be regarded as a success for both the districts who have implemented them and most certainly for the educators who have taken advantage of them.

While the motivation given for implementing an early retirement program was to reduce pressure on district finances, it is apparent from the responses given by district respondents that this was not accomplished in many instances. On the other hand, many also indicated a beneficial impact in this regard. More data are needed to accurately assess the discrepancy between these two response patterns. A similar pattern of choices was indicated in terms of the impact of retirement on district personnel.

The motivation for retirees taking early retirement was primarily "burn out" and their desire to stop working. The impact of early retirement on the early retiree was overwhelmingly positive in terms of their lifestyle, health, and leisure activities. It does not appear that their financial status and social life have suffered by having taken early retirement. Early retirement seems to have agreed with most of the early retirees. They are more likely to be engaged in a variety of activities and to a larger extent than they were prior to taking retirement. The most convincing argument for the success of these early retirement plans is that nine out of ten early retirees would take early retirement again if given the opportunity to do so.

Recommendation

1. That the Illinois law (SB 375) that provides for early retirement in Illinois public schools be extended by its present deadline (1985).
2. That a more intensive study be made of the financial and programatic impact that may ensue in school districts as a result of early retirement.
3. That "retirees" be contacted periodically to determine what impact early retirement has had on their style of living and to determine what improvements they would suggest be made in the implementation of the law.

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